

110TH CONGRESS  
1ST SESSION

# H. R. 3619

To amend the Internal Revenue Code of 1986 to provide a tax credit to primary health service providers who establish practices in health professional shortage areas.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 20, 2007

Ms. KILPATRICK introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a tax credit to primary health service providers who establish practices in health professional shortage areas.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Care Access  
5 Improvement Act”.

1 **SEC. 2. NONREFUNDABLE CREDIT FOR CERTAIN PRIMARY**  
 2 **HEALTH SERVICE PROVIDERS SERVING**  
 3 **HEALTH PROFESSIONAL SHORTAGE AREAS.**

4 (a) IN GENERAL.—Subpart A of part IV of sub-  
 5 chapter A of chapter 1 of the Internal Revenue Code of  
 6 1986 (relating to nonrefundable personal credits) is  
 7 amended by inserting after section 25D the following new  
 8 section:

9 **“SEC. 25E. PRIMARY HEALTH SERVICE PROVIDERS SERV-**  
 10 **ING HEALTH PROFESSIONAL SHORTAGE**  
 11 **AREAS.**

12 “(a) ALLOWANCE OF CREDIT.—In the case of a  
 13 qualified primary health service provider, there is allowed  
 14 as a credit against the tax imposed by this chapter for  
 15 any taxable year in a mandatory service period an amount  
 16 equal to the product of—

17 “(1) the lesser of—

18 “(A) the number of months of such period  
 19 occurring in such taxable year, or

20 “(B) 60 months, reduced by the number of  
 21 months taken into account under this para-  
 22 graph with respect to such provider for all pre-  
 23 ceding taxable years (whether or not in the  
 24 same mandatory service period), multiplied by

25 “(2) \$1,000.

1       “(b) QUALIFIED PRIMARY HEALTH SERVICE PRO-  
2 VIDER.—For purposes of this section, the term ‘qualified  
3 primary health service provider’ means any qualified  
4 health provider who for any month during a mandatory  
5 service period is certified by the Bureau to be a primary  
6 health service provider who—

7               “(1) is providing health services described in  
8 subsection (c)—

9                       “(A) full time, and

10                      “(B) to individuals at least 80 percent of  
11 whom reside in a health professional shortage  
12 area,

13               “(2) is not receiving during such year a scholar-  
14 ship under the National Health Service Corps Schol-  
15 arship Program or the Indian health professions  
16 scholarship program or a loan repayment under the  
17 National Health Service Corps Loan Repayment  
18 Program or the Indian Health Service Loan Repay-  
19 ment Program,

20               “(3) is not fulfilling service obligations under  
21 such Programs, and

22               “(4) has not defaulted on such obligations.

23       “(c) HEALTH SERVICES DESCRIBED.—Health serv-  
24 ices described in this subsection are—

1 “(1) basic health services (as described in sec-  
2 tion 330(b)(1)(A)(i) of the Public Health Service  
3 Act),

4 “(2) qualified psychologist services (as defined  
5 in section 1861(ii) of the Social Security Act), and

6 “(3) clinical social worker services (as defined  
7 in section 1861(hh) of the Social Security Act.

8 “(d) OTHER DEFINITIONS.—For purposes of this  
9 section—

10 “(1) QUALIFIED HEALTH PROVIDER.—The  
11 term ‘qualified health provider’ means a physician  
12 (as defined in section 1861(r) of the Social Security  
13 Act), a clinical psychologist (within the meaning of  
14 section 1861(ii) of such Act), and a clinical social  
15 worker (as defined in section 1861(hh)(1) of such  
16 Act).

17 “(2) MANDATORY SERVICE PERIOD.—The term  
18 ‘mandatory service period’ means the period of 60  
19 consecutive calendar months beginning with the first  
20 month the taxpayer is a qualified primary health  
21 service provider. In the case of an individual who is  
22 such a provider on the date of enactment of the  
23 Health Care Access Improvement Act, such term  
24 means the period of 60 consecutive calendar months  
25 beginning with the first month after such date.

1           “(3) HEALTH PROFESSIONAL SHORTAGE  
2 AREA.—The term ‘health professional shortage area’  
3 means a health professional shortage area des-  
4 ignated under section 332 of the Public Health Serv-  
5 ice Act.

6           “(4) BUREAU.—The term ‘Bureau’ means the  
7 Bureau of Primary Health Care, Health Resources  
8 and Services Administration of the Public Health  
9 Service.

10          “(e) RECAPTURE OF CREDIT.—

11           “(1) IN GENERAL.—If, during any taxable year,  
12 there is a recapture event, then the tax of the tax-  
13 payer under this chapter for such taxable year shall  
14 be increased by an amount equal to the product of—

15           “(A) the applicable percentage, and

16           “(B) the aggregate unrecaptured credits  
17 allowed to such taxpayer under this section for  
18 all prior taxable years.

19          “(2) APPLICABLE RECAPTURE PERCENTAGE.—

20           “(A) IN GENERAL.—For purposes of this  
21 subsection, the applicable recapture percentage  
22 shall be determined from the following table:

Months 1-24 .....	100
Months 25-36 .....	75
Months 37-48 .....	50
Months 49-60 .....	25
Months 61 and thereafter .....	0.

1           “(B) TIMING.—For purposes of subpara-  
 2 graph (A), month 1 shall begin on the first day  
 3 of the mandatory service period.

4           “(3) RECAPTURE EVENT DEFINED.—

5           “(A) IN GENERAL.—For purposes of this  
 6 subsection, the term ‘recapture event’ means  
 7 the failure of the taxpayer to be a qualified pri-  
 8 mary health service provider for any month  
 9 during any mandatory service period.

10           “(B) CESSATION OF DESIGNATION.—The  
 11 cessation of the designation of any area as a  
 12 rural health professional shortage area after the  
 13 beginning of the mandatory service period for  
 14 any taxpayer shall not constitute a recapture  
 15 event.

16           “(C) SECRETARIAL WAIVER.—The Sec-  
 17 retary may waive any recapture event caused by  
 18 extraordinary circumstances.

19           “(4) NO CREDITS AGAINST TAX.—Any increase  
 20 in tax under this subsection shall not be treated as  
 21 a tax imposed by this chapter for purposes of deter-  
 22 mining the amount of any credit under subpart A,  
 23 B, or D of this part.”.

24           (b) CLERICAL AMENDMENT.—The table of sections  
 25 for subpart A of part IV of subchapter A of chapter 1

1 of the Internal Revenue Code of 1986 is amended by in-  
2 serting after the item relating to section 25D the following  
3 new item:

“Sec. 25E. Primary health service providers serving health professional short-  
age areas.”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to taxable years beginning after  
6 December 31, 2007.

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